

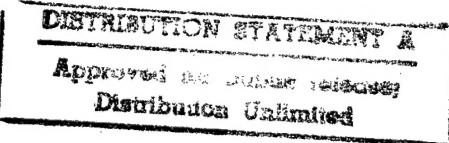
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West Europe Report

No. 2097



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ISNARD DISCUSSES ARMY REORGANIZATION, HADES MISSILE

Paris LE MONDE in French 16 Dec 82 p 14

[Article by Jacques Isnard: "Army Reorganization Designed to Better Prepare It to Fight Alongside Allies in Europe"]

[Text] The government has asked the French Army to modify its employment doctrine so as to provide for quicker and earlier commitment of its units alongside allied military forces in Europe, in other words from the very outbreak of a crisis or conflict.

This does not mean reincorporating French combat forces into NATO's integrated military command structure from which General de Gaulle began withdrawing them in 1966. But it does mean reshuffling and reequipping French forces so that they can intervene as rapidly and as soon as possible alongside forces of the Atlantic Alliance should the strategic necessity for such action manifest itself.

Officials in the Elysee Palace as well as in the Ministry of Defense believe that technological advances expected in certain weapon systems--the Hades nuclear missile and antitank helicopters--make it possible to reconcile two objectives that have long seemed contradictory, providing major operational commands are restructured on new bases.

As a result of France's current view that its so-called vital interests extend beyond the strict confines of its historically recognized borders, defense of the national "sanctuary" alone can now be concomitant with participation in a geographically well-defined alliance.

French Army combat forces stationed on both sides of the Rhine are currently organized essentially into two (or three) corps consisting of a total of seven (or eight) armored divisions* reinforced by infantry divisions, and serving as a screen for five nuclear artillery regiments. The latter's Pluton tactical nuclear missiles represent the greatest concentration of firepower attained to date by the French Army, namely some tens of nuclear warheads each equivalent in destructive power to the American atomic bomb dropped on Hiroshima in 1945.

The tank's relative mobility and the Pluton's 120-kilometer range give these combined combat forces, known as the 1st Army, capabilities that actually

* III Corps, consisting mainly of the 2d Armored Division, was activated in July 1979 at Saint Germain en Laye, Yvelines. The corps can operate within the 1st Army--in eastern France or the FRG--or separately on a different strategic course.

leave a potential enemy guessing about the geographical limits within which these forces may be committed.

Contradiction

Actually, it's either one thing or the other. Either the chief of state, wanting to fulfill his obligations to the Alliance, decides to move his 1st Army forward--including Pluton units which move along with it--into West German territory. At the same time, he must require his allies to give him sufficient advance notice to assemble the French forces. And above all, he must agree to delegate to subordinate commands authority to fire missiles dispersed throughout the combat area, and this at the risk of impairing the national strategy of deterrence which implies centralized launching of an immediate and massive retaliatory strike. Or else, this same chief of state decides to defend solely the national sanctuary in the--almost neutralist or isolationist--belief that France's vital interests stop at the Rhine. In so doing, he deviates from his obligations to the Alliance at the risk of having to withdraw into France without fighting--if he has the time--the three French armored divisions stationed in the FRG.

This is precisely the contradiction which Defense Minister Charles Hernu tried to circumvent on 24 November when he submitted to the Army Senior Council a field forces reorganization plan designed to give the French Government the choice of initiatives and broader freedom to act in both space and time should the decision be made to go to war alongside the allies.

This reorganization recommended to the military leaders is essentially meant to reconcile defense of the national sanctuary with participation in the Western defense effort.

It consists in making France's military support of its allies even more credible by utilizing the technological advances incorporated in certain weapon systems:

1. The deployment, after 1991, of the Hades nuclear missile as replacement for the Pluton. Because of its capabilities, there will be no need to move the Hades forward into West German territory to support 1st Army operations in Central Europe.
2. The formation--after a trial and evaluation period that is to begin in 1983--of separate antitank helicopter forces whose mobility and rapid movement enable them to advance and meet an attack, to counter enemy armored units as they break cover and start rolling toward the FRG's eastern borders.

Because of the above, we can better understand why the President of the Republic, when visiting the Canjuers military training camp in the Var on 15 October, made a point of underscoring the 1st Army's contribution--which he labeled "complementary"--to the strategy of deterrence and to the defense of what he called the "Western continent."

By combining firepower and mobility, the various coming "major technological rendezvous", to use Hernu's expression, compel the French Army to completely update its command, control, and operational structures.

Save Time

The Hades missile, with its expected 350-kilometer range, can fly above allied territory to reach and strike the potential enemy. At the same time, the Hades will permit French strategy to be implemented and controlled from French soil and, therefore, allow command--subject to presidential control--to be concentrated in the hands of the armed forces chief of staff or an operational headquarters and staff directly subordinate to him. This will save time in ordering employment of tactical nuclear firepower, thereby contributing to increased moment-to-moment political control.

Insofar as this unity of politico-military command is re-established, it removes the contradiction between the national-sanctuary defense strategy and participation in the Atlantic Alliance. Employment of the Hades nuclear missile, should the occasion arise, is now conceivable far beyond the deployment area of French combat forces, and even without any necessary connection with the battlefield scheme of maneuver of those forces.

This is a more flexible situation. Deployment and disposition of these forces can be tailored, as the chief of state sees fit, to all major contingencies, whether it be that the 1st Army is still not up to full strength and is being manned, equipped, and prepared to intervene, or even whether it be that there are no plans to commit that field army in the immediate future, in which case the Hades missiles are aimed, from positions in France and under French command, at enemy targets so as to support the counteroffensive by allied forces in Central Europe.

The threat of Hades employment can thus be divorced from operational engagement of the 1st Army--a radically different posture from the one allowed by the Pluton missile--thereby enhancing the credibility of France's engagement alongside its allies from the very first moment of a crisis or conflict. At the same time, this posture increases the enemy's perplexity about French intentions.

Certainty and Ambiguity

It is well-known fact that the French Government considers tactical nuclear weapons and strategic nuclear weapons to be part and parcel of the same concept of deterrence which rejects any graduated response. Hence the government's desire to increase the Hades missile's range, lessen its reaction time, and centralize control of these weapons, if necessary by detaching them from the 1st Army, tends to more effectively associate, in space and time, use of the tactical arsenal, the so-called "warning shot," with use of the strategic arsenal, the so-called "sledge-hammer blow."

France thereby technically puts itself in a position to make even more certain, or credible, than in the past its threat to resort to tactical nuclear weapons come what may. And simultaneously it increases the uncertainty, or ambiguity, that its adversaries have when trying to determine accurately and exactly the moment and conjuncture that will motivate France's nuclear response.

Such is the acknowledged objective of Hernu's proposed reorganization: obtain for the government "a more extensive range of credible actions." Yet to achieve this objective, the defense minister is not counting solely on the Hades missile. The army's reorganization plan also calls for activation of airmobile forces based on the functional regrouping of antitank helicopter regiments.

Inasmuch as the Hades missile can remain in position on the French side of the Rhine, it is essential to have a force that can move eastward beyond the Rhine more rapidly than conventional armored units, a force that can also symbolize France's engagement alongside its allies from the outbreak of a crisis or conflict. Separate antitank helicopter forces (FHAC), that is to say forces assigned to a special command, can be present wherever the 1st Army is engaged, can intervene in their own right within other theaters of operation and, for example, wherever the first attacks by enemy armored units occur, even at the eastern borders of the Federal Republic of Germany, if the French Government were to so decide.

Because of its flexibility, mobility, and versatility, the FHAC could also operate overseas in furnishing military assistance to a country with whom France has signed defense agreements, thus rendering military policy more coherent and diplomacy more active, particularly in Africa.

Expeditionary Force

For such situations, the defense minister called for formation of a major rapid action and assistance force command capable of deploying "at the very outbreak of a crisis or conflict, a conventional expeditionary force capable of fitting into the allied disposition of forces in Europe, within any area in which there would be patent need for such a force." This expeditionary force, to use Hernu's term, would be composed of antitank helicopter groups and helicopter-borne or airdropped infantry antitank teams supported on the ground by light armored units. This force would be patterned after that airmobile combined arms unit which Colonel Jean Delaunay--now a general officer and army chief of staff--had proposed back in April 1973 when he was at the Center for Tactical Studies.

The helicopter's advantages are well-known. Because of its maneuverability and its ability to carry various types of combat troops and weapons, it is the ideal combat instrument for surprise raids. Unlike the tank, it is unimpeded by natural terrain obstacles or the occasional congestion of routes used by the forces.

But its disadvantages and weaknesses must not be overlooked. The helicopter can be fragile. It requires substantial logistic support in the form of fuel and repair parts. Moreover, it has such natural enemies as very bad weather or enemy gunfire.

The primary factor in its favor, however, is its ability to operate--by hedge-hopping, i.e. in so-called "tactical" flight--a few dozen meters above the ground on the enemy's flanks or throughout the battlefield, because it strikes in depth and because it can repeat its attacks.

Tank-Helicopter Team

Recent events in the Middle East are proof of the importance of these helicopter units in conflicts marked by the presence of a large number of tanks. The French organization plan does not involve replacing the tank by the helicopter, however. In fact, the two members of the tank-helicopter team complement one another. The tank occupies the terrain, by day and by night, in front-line combat operations while the helicopter brings its mobility and flexibility to bear at longer range.

This tank-helicopter team is probably the most effective element in antitank warfare. But we should add to it the antihelicopter helicopter, in other words that "machine" armed with guns, rockets, or air-to-air missiles and assigned the task of protecting a fleet of antitank helicopters from the threat of enemy helicopters.

This is definitely the most plausible scenario of war in Central Europe. The West has no superiority in tanks in that region. The only military instrument capable of restoring some semblance of balance is undoubtedly the antitank helicopter, provided it is escorted by a fire support and protection helicopter [gunship]. In addition, fixed-wing combat aircraft should provide air cover for these helicopters so that they can maneuver in complete safety. Because of its number of tactical aircraft, the West is relatively assured of maintaining air superiority over the East on the European continent.

Projecting Forces

This is why France has officially stated it favors production, with or without the FRG's collaboration, of a 4-ton helicopter armed to provide fire support and protection. Estimated development cost of such a program is 3 billion francs. The United States already has the AH-1 Cobra and is developing another "machine," the AH-64 Apache. The Soviet Union has the Mi-24 Hind and the Mi-8 Hip, both of which have been sighted in Afghanistan.

In November 1981, the Defense Council--the country's supreme decision-making body on national security matters--initiated the Hades program. In 1983, probably in the Lille military region, the Ministry of Defense will conduct field trials of its antitank helicopter force as part of its studies preparatory to reorganization of the army. These two important initiatives are illustrative of actually one and the same defense policy which consists in ensuring that, during the present decade, the French Armed Forces will acquire the capability of protecting the national sanctuary while simultaneously giving notice to its allies that they can depend on France's fidelity in the event of a threat on the European continent.

Owing to the fact that France's immediate neighbors are also its allies and, therefore, that its vital interests do not begin at its borders, France recently drew the conclusion that it had to put itself in position to be able to project its forces, if need be, beyond its own national space and even into the forward area of allied military positions in Central Europe. French forces would no longer serve merely as "general reserve" for NATO forces deployed in front of the Rhine, as is the case with French units today.

France's adoption of this strategy is not tantamount to France's participation in just any and every "forward battle." Such a "forward defense" concept consists in agreeing, now in peacetime, to share with one's allies the obligation to occupy and hold a defensive "slot" at the FRG's eastern borders, and at the very first moments of a crisis or conflict, the obligation to automatically go to war under the integrated NATO command without being able to assess for oneself the advisability of such an initiative.

The French concept remains more flexible. It calls for arming the national sanctuary, but while simultaneously maintaining, notably with the FRG, a certain political relationship designed to make the FRG understand that France, a member of the Atlantic Alliance, is providing itself with suitable military forces and equipment so that when the time comes it can assume, within that alliance, all of its responsibilities and all of its share of the common defense burden.

It is from this standpoint that the inevitable implications of the choice of the Hades missile and the plan to form FHAC's are considerable. To such a point that all the consequences of these two armament programs are still not very clearly perceived by many, including some French Army officers and NCO's.

The fact is that the French field forces will be radically altered as a result of these programs. It is nonetheless natural for many officers, indeed even NCO's, already affected by an army reorganization program implemented at a brisk pace by General Delaunay's predecessor, to be marking time at the prospect of such new upheavals. The stakes are tremendous: a traditional army which has had to undergo several conversions in the past is now destined to become a technological army. In urging his subordinates to retain their composure, the army chief of staff was also preparing them to face the inevitable upheavals of this "aggiornamento."

Hades Missile

Named after the ruler of the lower world in Greek mythology, the Hades is a semiballistic missile weighing 1,500-2,000 kilograms. It will be mounted in pairs on a wheeled launch vehicle so as to be more mobile than the tracked vehicle carrying the Pluton missile.

Initial plans called for a Hades missile with a maximum range of 300 kilometers. After a review of the project by the Defense Council chaired by President Francois Mitterrand, this range was increased to more than 350 kilometers. The missile could be armed with 20- and 60-kiloton warheads--the Hiroshima bomb had a yield of approximately 18 kilotons--that would be maneuverable in their terminal phase so as to evade enemy antimissile missiles.

The Hades may conceivably be armed with enhanced radiation weapons, more familiarly known as "neutron bombs." As a result, the missile could advantageously be employed more readily in populated areas close to allied territories.

The estimated cost, at 1982 prices, of developing and producing some 100 launch vehicles carrying 200 missiles is 8 to 10 billion francs, with the

estimated cost of one complete missile being 17 million francs. Operational deployment of this system will begin in 1991 and is expected to continue throughout the last decade of the century.

Acquisition of potential targets at maximum Hades range in enemy territory would be the responsibility of Mirage 3R reconnaissance aircraft and special teams from the 13th Paratroop Dragoon Regiment stationed at Dieuze, Moselle. Other target acquisition sources would include intelligence information collected in Europe by U.S. forces and through radio monitoring by French communications agencies. By recording the origin and density of enemy radio traffic, these agencies can determine the enemy order of battle, in other words the exact position of enemy headquarters, troop movements, or rear area installations.

ALAT Helicopters, Weapons

French Army Light Aviation (ALAT), commanded by Gen Herve Navereau, is a 6,000-man force, half of whose personnel are regulars. It operates 620 helicopters--Alouette 2, Alouette 3, Gazelle, and Puma--and 80 fixed-wing liaison and observation aircraft. In 1981, this fleet logged 170,000 flying hours, the equivalent of the hours flown by the Air Inter airline. During 1981, ALAT's accident or serious mishap--crew fatality or extensive damage to aircraft--rate was 0.28 accidents per 10,000 flight hours.

With its total fleet of 840 military helicopters, France ranks third in the world behind the United States (10,000 helicopters) and the Soviet Union (7,000) not counting the Warsaw Pact.

ALAT has its headquarters in Villacoublay, Yvelines. Each military region--there are six--has a light helicopter group equipped with some 20 Alouette 2 or Gazelle helicopters. The three army corps each have a special light aviation operational command, a light helicopter group, and two combat helicopter regiments, with 72 helicopters, for liaison and observation missions, antitank missions (with Alouette 3 and Gazelle helicopters equipped with HOT missiles), and tactical transport missions (with Puma helicopters carrying infantry teams armed with Milan antitank missiles and 120-millimeter mortars).

At Pau (Pyrenees Atlantiques) and CANNET DES MAURES (Var), there are personnel and equipment earmarked for wartime formation of two general-reserve combat helicopter regiments for support of the 11th Airborne Division overseas and II Corps in Europe.

ALAT's information or intelligence collection mission is performed by light helicopter flights ("escadrilles"). In 1-hour, one such flight is capable of gathering information on the tactical situation over a 20-kilometer front; and all of a corps' flights can do the same on a 100-kilometer front. ALAT's antitank missions are flown by Alouette 3 and Gazelle helicopters firing 4,000-meter range HOT missiles. One combat helicopter regiment can fire 120 missiles simultaneously. With their Puma helicopters, a corps' two combat helicopter regiments can airlift 1,000 troops a distance of 100 kilometers in two round trips.

ALAT has conducted night-flying trials (by equipping its crews with special

light intensification sights and scopes), and also so-called instrument flights in foggy or cloudy conditions (except storm clouds). ALAT is currently testing thermal imagery devices for night firing, and plans to familiarize itself with air refueling, a technique also being tried in the United States.

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LAMBSDORFF CRITICIZES FRENCH PROTECTIONIST PRACTICES

Paris LES ECHOS in French 29 Nov 82 p 11

[Interview with Otto Lambsdorff, minister of the economy, by Marc Moreau and Nicolas Beytout; date and place not specified]

[Text] Count Otto Lambsdorff, ardent advocate of the market economy, is considered one of the principal architects of Chancellor Helmut Schmidt's fall. At the beginning of September he lit the fire by publishing a long text calling for a reduction in several social benefits while, however, recommending an increase in social benefit deductions. This austerity cure was unacceptable to the Social Democrats (SPD). Last 17 September the Minister of Economics resigned along with his three liberal colleagues, thus burying a 13 year coalition between Social Democrats and liberals (SPD/FDP). This was, however, a short-lived retirement. With Christian Democrat Chancellor Helmut Kohl, Lambsdorff was soon back in the ministry he had headed for 5 years.

The interview that he granted to LES ECHOS is his first meeting with a French newspaper since his entry into the new government.

[Question] Mr Minister, the French government recently reinforced import controls to try to reduce the French trade deficit. Many businessmen in your country are worried about this "new protectionism." What do you think?

[Answer] I realistically see in the French policy the possibility of increased protectionism, which the French government has already declared it openly favors. I consider this policy a dangerous path.

[Question] What do you plan to do to stop this "dangerous path" which could one day also halt the entry of German products?

[Answer] The FRG depends on exports for one-third of its gross domestic product. A protectionist policy could certainly lead to reprisals on the part of

the trade partners involved. It is a mistake to think that one can limit imports and at the same time not threaten one's own exports.

This strong dependence on exports is fundamentally true for industry as a whole and, of course, also for French industry. It could result in serious damages to the European economy, not to mention consequences on world trade as a whole, and we are going to have to discuss all of this within the Common Market.

Decline in the GDP

[Question] You recently lowered your economic projections. What projections do you see now for this year and 1983?

[Answer] The starting line for 1983 is unfortunately much worse than we were hoping even as recently as last summer. This year we will have a real decline in the GDP and for 1983 we are expecting only a standstill on an annual average basis.

[Question] Despite this standstill on an annual average basis, do you believe there will be a rebound in business in mid-83?

[Answer] The prospects for 1983 are not completely clear. Production and orders recently declined significantly. On the other hand, there are some possibilities for an economic recovery.

Interest rates are decreasing, the current balance of payments has improved by over 20 billion marks since January (56 billion francs) compared to last year, and will again be balanced.

Inflation--on an annual basis--has fallen below the 5 percent mark during the last 2 months and the new government is following a path of stabilization and consolidation in its economic and financial policy, which will strengthen the confidence and hopes of the German economy.

[Question] About this new government. You were already Minister of Economics under Chancellor Helmut Schmidt. How is your economic policy going to change now that you have the same ministry under Helmut Kohl?

[Answer] The economic policy does not need to be changed.

[Question] Where is the change, then?

[Answer] The implementation of concrete decisions and their application will be easier and quicker because within the new coalition there is more agreement in the areas of social, economic and financial questions and there is also the desire to resolve these problems as priorities.

We will be able to enforce the principles of the social market economy more easily than with the Social Democrats. The fact that this became more and more difficult with the SPD was in fact the fundamental reason for the split in the Liberal/Social Democrat coalition.

NATIONAL DEPOSIT BANK TO FOCUS ON THIRD WORLD, LOCAL NEEDS

Paris LE MONDE in French 23 Dec 82 p 26

[Article by Francois Renard: "The Reorganization of the Deposit Bank"]

[Text] The goal of the "plan" presented by Robert Lion 6 months after his appointment as general manager of the Deposit Bank, France's premier financial institution, which administers over 800 billion francs in funds, is to redefine the objectives and structures of the Bank in order to close the gap between its size and the vague nature of its duties, to enable it to adapt to the real needs of the future, especially decentralization and industrial priorities, and to meet the expectations of staff. To summarize a group of rather complex measures following the large-scale recovery and construction effort after the war, there must now be "less cement and more management."

It was known that as soon as the Mauroy administration took office it intended to look closely at the Deposit Bank. Thanks to funds coming from the savings banks, postal savings accounts and other savings accounts (80 percent of resources) and from miscellaneous deposits (notaries, social security institutions, mutual fund associations and pension and retirement systems), this extraordinary financial instrument has become the main banker for local communities over the past 166 years, covering 83 percent of their loan requests, as well as being the major creditor for social housing (moderate-income housing). It also plays an important role on the bond market (20 percent of subscriptions) and contributes to the productive sector's investments. A Socialist government, as an ardent advocate of decentralization, obviously could not neglect such a powerful tool and Mauroy named his former office manager, Robert Lion, who, by the way, had had many years experience in the housing field both as director of construction at the equipment ministry and general representative of the moderate income housing institutions, with a very precise task: remodel the structures that seem a bit outdated and orient the Bank to the demands of new times.

For 6 months there was widespread cooperation, based on the work of the committee headed by Mr Lagrange, Socialist mayor of Chalon-sur-Saone, and which was made up of local elected officials, presidents of semipublic firms and representatives of the major subsidiaries of the Bank--the SCIC [Central Real Estate Company of the Deposit Bank], the SCET [Territorial Equipment Company (?)], etc. (See LE MONDE, 17 December.)

Continuity and Renovation

The result of these consultations was a "plan" concerned both with maintaining continuity and initiating renovation. While paying his deep respects to his predecessors Maurice Perouse and, especially, Francois Bloch-Laine, Lion announced three priorities: directing savings toward general interest uses, stimulating local development and contributing to the development of the Third World. However, he made sure he immediately stated his case: there would be no question of reducing the effort in the area of social housing, thus alluding to the enormous needs of the industry. The Bank will, of course, finance the latter "if we are asked to act at the local level" and will support the national industrial sectors of construction, energy and data processing "when we are in charge." "As for a large-scale influx of capital for productive investment or to support industrial policy, the Deposit Bank will consider this if the state asks it to." Because of the size of the Bank's current obligations, especially the support it provides the Treasury by subscribing to its bond issues, the nuance is important.

The bulk of Lion's speech was actually devoted to decentralization, which "must be our law." The Bank, which "is already in the ball park," should be "the ally of the local authorities," with whom it has already consulted, both directly and through the many semipublic firms. It "must do more," and have "an attitude of availability, which does not exclude advising or warning, but in which the bank expert leaves the full responsibility for choosing and acting to the politician. The Bank must act less often, but assist in acting or designing more often; be an originator less often and no longer be the leader of the game but an advisor, benefactor, expert. These functions require a great deal of skill and adroitness."

Revive, Rebalance

The entire program implicitly questions the role of "guardian" that bank officials are sometimes inclined to play as distributors of this manna of loans to local communities, which will have more resources available to them now because of the decentralization law of March 1982. Its enforcement will be entrusted to a new office, the office of local development, "partner with and helper to France's communities," that will have increased resources and regional delegates whose role will be strengthened. The function of banker and community advisor could not be better fulfilled than by the head of this new structure, Pierre Richard, who is leaving the general office of local communities at the Ministry of the Interior. "A professional in his soul and to the tips of his fingers" (LE MONDE, 18 December 1982), successively esteemed by Giscard d'Estaing and Defferre, Richard, who will have the rank of assistant general director, is haunted by the worry of making sure that public funds are used better, priorities are chosen better and that the operating expenses of communities are more carefully managed (Fr 300 billion, of which 45 percent is for staff).

For 30 years, communities have poured concrete and made bedroom communities. This was necessary, of course, but now they must renovate, revive and rebalance. From this viewpoint the complexity of some problems, especially those of suburban areas mentioned in the Dubedout report, has plunged a lot of mayors into despair. And it should also be remembered that they are managing veritable businesses. "They are calling for help and we must help them."

Looking for New Resources

Lion is hardly forgetting the financing office, traditionally the most important because it fulfills the Bank's financing duties, its major priority. This office, which has a new head at the rank of assistant general manager, Jacques Delmas-Marsalet, rapporteur of the Council of State and bureau chief of tax legislation at the general tax office after having been head of financing services at the Planning Ministry, and a staff which has been strengthened by the arrival of Mr Arsac, inspector of finances, should most particularly look for new resources. Some ideas, especially Jean-Michel Bloch-Laine's "proposals," would lead to limiting, or even possibly reducing, the activities of savings banks in order to benefit traditional banks, which for 30 years have been gnawed at by the savings banks and mutual associations. The ceiling for deposits in these savings banks has already been maintained at the same level (Fr 49,000) for 2 years, which in fact means it has been lowered. An effort will therefore be made in the direction of notaries, accountants, the Treasury and the Post Office and the savings banks (checking accounts). Within the framework of the contribution to industry it is thought that a share of the financing of small- and medium-sized firms will be granted through the credit-leasing of fixed or movable property. Lastly, "financial planning and developing" will be increased, with an emphasis put on reviving markets, supporting at-risk savings and experimenting with new ideas.

A third priority will be the development of the Third World, an area where the Deposit Bank is very active (1,000 officials abroad in almost 40 countries), but where its activity, according to Lion, calls for "more supervision." It will be given to Rene Lenoir, general inspector of finances, former secretary of state for social action from 1974 to 1978 and currently general manager for public relations at the Ministry of Economy and Finance.

Reorganize the Network of Subsidiaries

Lastly, the network of professional subsidiaries--20,500 officials and Fr 3.2 billion in turnover--will be completely reorganized within 18 months to 2 years after a review, selection and possible removal of certain operations. The report of the Lagrange Commission, which described them as "technocratic structures operating for themselves" (LE MONDE, 17 December), is considered by Robert Lion to be a serious, sharp and interesting "contribution." Lion, pointing to the sometimes thorny relations between subsidiaries such as the SCIC and the SCET and local communities and to a competition that the private sector finds unfair, stated that "there must never again be a link between the granting of a loan and a contract with subsidiaries of the Deposit Bank." In particular, the SCET will no longer be an administrator in semipublic firms, so as to avoid "biases and partiality." A holding company, which will have a president appointed in March 1983 to replace

Jean-Pierre Hirsch, will soon oversee the subsidiaries. It already has a financial director, Patrick Werner, inspector of finance. As for the general secretariat, which, "in the new style," will be responsible for "internal relations," it will be headed by Pierre Darnis, currently assistant manager of IRCANTEC [Supplemental Retirement Institution for State and Local Officials] and of annuities at the National Reserve Fund. He is replacing Gilbert Ancian, author of the report on the reorganization of the savings bank network, who has been named advisor to the general manager.

Thus, realizing a little late that less concrete is needed, the revered institution on the rue de Lille in Paris is attempting to shake the venerable dust from its walls. As majestic and slow as a supertanker, it will probably take as much time to change its course.

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DIFFICULTIES INHERENT IN REFUGEES' REPATRIATION

Athens EPIKAIRA in Greek No 753, 6 Jan 83 p 17

/Excerpt/ Regardless of how much freer repatriation will now be, repatriation that was going on gradually for 8 years now (during which more than 40 percent of the political refugees returned), no party had or has any objection, in principle, to the return of these Greeks. Reservations relate to details, both procedural and financial, as well as national and political.

No matter how strange it may appear, both the Right (ND) and the extreme Left (KKE) had national and political reservations. The former had never hid the fact that all those who had many sentences imposed on them for crimes committed or who had aimed at splitting up our national territory should be excluded. The KKE --without, however, admitting it-- would have preferred avoiding the repatriation of individuals who not only were not assimilated into communist ideology during their many years of being refugees but, to the contrary, had gotten a bitter taste of a "paradise" that not only did they spurn but that they many perhaps be ready to politically combat.

The Anti-Nationals

It appears that the government is confronting the problem of the 70,000 Slavo-Macedonians by limiting free repatriation to only those "of Greek race." However, the other problems of the returnees remain unsolved. Indeed, the speeded-up and large-scale repatriation efforts have met with problems up to now. The future will show if a solution will be found for them so as to bring about results as quickly as possible or if simply the friction will continue, with perhaps an improved psychological atmosphere.

As evidenced by the accompanying table, the number of Greeks from whom citizenship was taken away during the period 1950-1961 does not exceed 22,260. In 1975, the total number of refugees in eastern countries reached approximately 60,000 (counting those who fled, those who were led astray, those born there, etc.). Of this number, about 25,000 already returned during the 7-year period 1975-1981, in other words under ND governments.

Today, there remain about 35,000 of whom 14,000 are retired people in eastern countries and the remaining 21,000 are workers. How many of these will return?

Pensions and Insurance

It is estimated that about 5,000 will in the long run remain in these countries where they have established families (with foreign-born wives) and good businesses. The remainder will be ready to return if the countries where they worked a lifetime agree to send them their pensions or agree to return their insurance contributions to Greek insurance funds of their new places of work.

The eastern countries have up to now refused this basic demand that was perhaps the primary reason for the slowness of the repatriation process. However, they are refusing to satisfy this demand even today. How then will the problem be settled? How will the 14,000 returning pensioners live and what fund would give pensions to the other 15,000 who will now begin work in their motherland covered by insurance?

In his televised announcement, the prime minister said only that "we imagine that perhaps the problem will be overcome if we were to assume the drachma cost and they were to send us products so that they would not be any foreign currency problem for them that I believe is the main reason for hindering the return."

Without Agreement?

The question therefore is: Will Greece begin paying pensions and recognize insurance payments before any agreement --even if only an accounting one-- for the transfer of those accrued claims is made so as to have some original insurance clearing operate? And how much will this enlarge the present deficit of the budget, of IKA /Social Insurance Foundation/, of OGA /Farm Insurance Organization/ and perhaps other funds?

A second problem is also the absorption of the returnees into the job market. Where they are now can be disagreeable but they at least do have jobs. Here, where there are 200,000 unemployed, will they find any jobs anywhere or else will demonstrations by the poor begin with explosive slogans?

Also complicated is the question of properties belonging to quite a few refugees that had been confiscated at that time. Much of this real estate is now in the hands of third parties who perhaps will not want to give it up, while the original owners will look at it and "clench their teeth." How easily will all be satisfied in a way "to avoid the raising of objections and to strengthen national unity," as Mr Pesmazoglou, president of KODISO /Democratic Socialist Party/ noted.

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INDUSTRIALISTS RAP PAPANDREOU ON INVESTMENTS DROP

Athens EPIKAIRA in Greek No 753, 6 Jan 83 p 18

/Excerpts/ "Private initiative is being humiliated and industrialists are being insulted as a class. They are being cursed as robbers by the prime minister of the country who, speaking from the most official tribune of democracy, the tribune of parliament, hurled thunderbolts and threatened punishment. No matter that one explanation could be the diversion of public opinion from problems, impasses and splits, there is only one fact. Industrialists were chosen to be insulted collectively as a class at a time when so much is being said about the need for unanimity. One can only express sorrow for all that has been said." The above was spoken by a spokesman of the Association of Greek Industry.

As is known, Mr Papandreu criticized, from the tribune of parliament, all governments of the Right for "teaching industrialists to borrow from banks and to export foreign exchange to Switzerland." Fire was also directly directed at the president of the republic in whose time /when he was prime minister/ investments were being made, the economy progressed and national income increased with work for all and with industry active; the role of the latter is essential in every economy.

Economic circles attribute the attack to Mr Papandreu's attempt to implement the old and rather outdated by today's standards prescription for comparing "people and plutocracy" so as to overcome his own difficulties that are many in number and in all aspects: economic, political and social. The same circles observe that once again he is using this tactic (as well as other tactics) in an unsuccessful manner. He had recently stressed before the general assembly of the Association of Greek Industry that "industrialists are not negative elements for the economy but, to the contrary, they are agents of development" and that "private initiative has provided much and we all expect much from it." He himself suddenly unleashes thunderbolts that make people question how much seriousness there is in all of this and how much consequence there is in all that was said yesterday, in all that is being said today and in what will follow tomorrow.

These same circles conclude that these things are discouraging private initiative, indeed at difficult moments, and render it more hesitant and more distrustful vis-a-vis a policy with its Ovidian metamorphoses, its changes and its contradictions.

The same circles add that in such an atmosphere the cutback in investments is not an unexplainable phenomenon nor in need of special interpretation. Eloquent too are the economic results of industry that in themselves constitute an objective hindrance for industry itself and for its development.

- Productivity in 1982 dropped to levels lower than those in 1981.
- The utilization rate of factory potential dropped from 82 percent in the first 3-month period of 1981 to 77 percent in the last 3-month period of the same year, reaching 75 percent during the second 3-month period of this year, with trends showing further drops.
- Overall losses of unprofitable industrial firms increased by 60.7 percent in 1981 over 1980 (and even more this year), while profitable firms had a profit increase of 20.2 percent in 1981, i.e. smaller than the inflation rate, with the result that the disinflated profits of the firms decreased. Thus, the average yield of the same capital of industry dropped to 7.1 percent in 1981 compared to 9.3 percent in 1980, and even more this year (as will be shown when the balance sheets are worked out).

The Course of the Economy

| | 1975-1979 | Average Annual Rate | 1982 |
|-------------------|--------------------|---------------------|--------------|
| Gross Investments | 31.9 % | 5.7 % | below zero |
| National Income | 26.5 % | 4.8 % | 0.4 % |
| Unemployment | | 2-3 % | 6 % |
| Work Pay | 169 % | | (index 93 %) |
| Per Capita Income | 1975 2,165 dollars | 1979 4,163 | 1982 3,800 |

The course of the economy during the period 1975-1979 and today

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REACTIONS, COMMENTS ON DRACHMA DEVALUATION

Positive, Negative Reactions

Athens I KATHIMERINI in Greek 11 Jan 83 p 1

/Article by N. Nikolaou/

/Excerpts/ Since Sunday night, the country has been suffering through the fever of the devaluation of the drachma against the dollar and other foreign currencies. Many are afraid of shortages and "shenanigans" in the market now that the government has decided to impose import restrictions on a number of products, while the consumer public became uneasy yesterday over the consequences of the measures on inflation and the inevitable erosion of the wage earners' incomes that will ensue. With the exception of fuel prices that the government has promised to maintain at their present levels, the prices of all imported goods will increase by 18 to 22 percent, while domestic products will rise by 4 to 5 percent. The basic areas where the first strong repercussions of the government's measures were felt yesterday were banks, to which quite a few concerned depositors went, shops selling imported goods, even supermarkets where there was a noted holding back of goods and price markups, the customs offices where confusion was rampant, as well as the market where nervousness was prevalent.

Nevertheless, the reactions of the public and economic officials, generally speaking, was controlled and moderate despite the surprise they had on the announcement last Sunday night of a measure the implementation of which the government had denied the very day before! The coolness shown in the long run by consumers, those dealing with banks and the citizenry in general revealed the maturity of the Greek people who are determined to safeguard the stability of the economy. This position has special merit in that the government has never spoken candidly to the people about the critical problems of the economy.

Reliable economic circles stress that the choice of measures, such as the devaluation of the drachma, as well as the tough income policy in December, show the intention of the government's technocrats to have recourse to conventional and orthodox methods that are being used in all free economies for the strengthening of competitiveness and the recovery of economic activity. However, these proper measures are being wrecked on the reefs of dogmatic socialist proclamations and blasts of the government that have resulted in a universal lack of confidence in the business world.

Positive and Negative Reactions

Yesterday, the productive classes showed themselves reserved vis-a-vis the measures, while there were positive reactions on the stock exchange. They stressed that the measures will certainly have some favorable effects on exports, tourism and remittances, while import restrictions will relieve quite a few segments of the economy from destructive competition from abroad. Nevertheless, the relief to the economy will be temporary in nature, and if within 5 to 6 months there is no overall turn in the present unfavorable psychological climate and the government does not ensure an atmosphere of confidence to the business world, then we will not gain anything from the devaluation other than its unfavorable aspects, namely inflation and an increase in interest for the servicing of the public debt.

The government, nevertheless, as evidenced by Sunday's appearance by Mr Arsenis, is both hesitant and controlled in its forecasts and without hiding the unfavorable consequences that devaluation would have on inflation it feels that these consequences will be limited or overcome if the main goal of the measures succeed, namely an increase in exports and production.

Profiteering Begins

Athens ELEVTHEROTYPIA in Greek 11 Jan 83 p 13

/Editorial: "Cases of Profiteering" /

/Text/ Many people greeted the devaluation of the drachma with perplexity and bewilderment, while the indignation of consumers was widespread over the profiteering that has begun to be manifested on many imported products.

At the same time there were spasmodic actions by savings account holders who rushed to withdraw their money as soon as the banks opened yesterday morning.

Many shops, using the excuse of imminent wintertime discounts, emptied their shelves of imported goods for the purpose of raising their prices after the change in the parity of the drachma.

The gold sovereign rose, while many stocks improved on the securities exchange. Exporters are praising the government. Banks have already received instructions to delay approval of imports. /Minister of National Economy/ Arsenis stated that the dollar will remain at 84 drachmas, that there is no question of fuels becoming any more expensive and that the cost of living will not exceed 18-19 percent in 1983.

/Minister of Commerce/ Moraitis stated that profiteering will not be permitted, that all stocks will be sold at older prices and that industrialists and importers will have to submit price lists to the ministry for each approval of price increases.

Minister of Agriculture Simitis said that food prices will not be increased, while it is possible that imports of agricultural products from EEC countries might be restricted.

Complementary Measures Needed

Athens MESIMVRINI in Greek 11 Jan 83 p 1

Article by MESIMVRINI's economic contributor K. Kolmer

Text Even though the deeper causes of the imbalance in our foreign trade are due to the defective structure of the economy and to a disproportionate increase of incomes, it has always been unquestionable that the maintenance, officially-speaking, of an overvalued drachma contributed on the one hand to an increase of imports and to the hindering of an increase of foreign exchange on the other hand. It was also an obstacle for opportune stabilizing loans to the Greek economy by international banking organizations. In the light of this interpretation, therefore, the day before yesterday's devaluation of the drachma by 15 percent and the revaluation of foreign exchange by 18 percent was an inevitable action.

Nevertheless, the foreign exchange price policy that merely constitutes a necessary measure for correcting the unequal price structure of purchasing powers of the local currency vis-a-vis foreign currency, of course, cannot remedy the structural weaknesses of foreign exchanges. What is needed are extra measures that the government must immediately take. Otherwise, the beneficial effects of devaluation will shortly disappear, even affecting the balance of payments. Such measures include the improved operation of public enterprises --by cutting back their superfluous personnel and raising the prices of their services--, the reduction of public consumption expenditures, the abandonment of various anti-labor laws and primarily the reestablishment of an atmosphere of confidence among those involved in the private economy sector.

On the other hand, restrictive measures to the detriment of import trade not only are contrary to the letter of the country's agreements (EEC, GATT), but also contrary to the spirit of stabilization of the economy because they harm the atmosphere of free competition from which a genuine, in due course, improvement in the condition of the Greek economy is expected.

More specifically, the effects of devaluation on the domestic economy must not be overestimated by the government or the people.

The overall demand for domestic products by the private sector will decrease because of the resoluteness for the demand for foreign products to which Greek consumers have become accustomed. Neither will domestic offers be strengthened by devaluation as the government anticipates. The lower new cost of industrial production (9 percent and not 15 percent average) is not expected to increase demand for Greek goods abroad due to the continuing international crisis.

Moreover, the merchant marine will be helped very little by devaluation since in one way or another it operates with foreign currencies. Only tourism will receive a boost, so long as, of course, some consequential attempt is made to improve the low quality of services it provides.

Finally, devaluation will contribute very little to the rise in the volume of agricultural production. It will merely help in absorbing the undisposed 1982 production, so long as, of course, the destructive policy of national subsidies is not continued.

It is also a mistake to believe that devaluation will help the labor market because unemployment is also the consequence of the overloading of firms with personnel with low productivity.

Prices will climb by about 7 percent because of devaluation, at an annual rate of 20 percent which, however, will begin to recede beginning with the second 6-month period, so long as, of course, the "facilitating" of the economy with an excessive increase of the money supply is not continued.

The flexibility in energy demand --primarily liquid fuels-- will drop to under the present 1.3 level, so long as the government, despite proclamations to the contrary, pushes up the price of petroleum and electricity further.

Battle will be waged in public economies which have been dealt with with extreme superficiality, in default of the devaluation and the tight income policy. Public revenues will diminish while expenditures --as least those of the public debt and foreign exchange markets-- will increase. But the public deficit must be drastically reduced. Consequently, the planned expansionist financial policy must be abandoned in time. We must understand that 1983 will be another year lost if we want the Greek economy to stabilize in 1984.

The various organs of monetary policy are not unaffected by devaluation. However, both the money supply and especially the displacement of the private economy sector from the credit system must be reduced. Let there now be a bold act for the freeing of interest rates.

Developments in parity will play a predominant role on the balance of payments. However, it would be an enormous policy error --especially after the 1953 experience-- to upset the trade system of free exchanges and to return to bilateral exchanges and import permits. The limitation of imports at 1980 levels --a year of self-imposed limitation-- is ill-considered, while the use of the drachma for loaded exports on the basis of 71 drachmas to the dollar parity is a pusillanimous and an unjustified act. The government must play its game rigorously and clearly. No more tricks! It played quite a few in its first year.

And the parity of the drachma? The readjustment of the foreign value of the drachma carried out with its 15 percent devaluation against foreign currencies, at levels slightly lower than those determined from the parity of purchasing powers, guarantees a restraint of the deficit for the short term only, while for the long term there is need for extra measures for the overall recovery of the economy. If, however, inflation at home stays at 20 percent in 1983, as compared to 8 percent average for EEC countries and 5 percent for GATT countries, then a new devaluation will be needed at the end of the year, without in the meantime precluding a further gradual slide of the drachma during the course of the year. That is what inevitable reality prescribes, reality that our socialist government has refused to acknowledge up to now.

Government Tactics Condemned

Athens I KATHIMERINI in Greek 12 Jan 83 p 5

/Editorial: "It Would Be a Crime...."

/Excerpts/ In serious and critical situations when problems arise that have reference to the present and future standard of living of a people --both quantitative and qualitative-- if not on their existence itself, those responsible and honorable men who are in the arena of public life and who play some role in public affairs, whether they be politicians or journalists, or persons with specializations, authority and previous service in important fields of endeavor, etc., cannot and should not have any other criterion or any other aim than protecting and promoting the national interest. There is no place for and there should not be any place for like or dislike --and every form of passion-- "in government" or "government opposition" feelings or bias, attempts to handle critical circumstances for the promotion of self-interested and narrow party aims (by either the "in government" or "opposition"), or recourse to misleading or "diversionary" methods, etc.

With that principle and concept that we have for our mission as an organ of public opinion, we will attempt to make certain points and observations on the situation that has developed following the devaluation of the drachma.

First of all, the government will bear responsibility for the handling of public affairs. It is obliged, first of all, to take all those measures, not only police and market inspection ones but especially organizational and economic ones, that will prevent both dangerous and unjustified devaluation side reactions.

The government is also obliged to be sincere and to avoid any demagogic --and cheap-- fooling of the public, with both cheap and unsubstantiated slogans for the creation of impressions and for warding off of any slippage of its party patronage. Any such tactics would have, for the medium-term, results contrary to those being sought, if not explosive consequences....

Those not belonging to the governing party must not be tempted to tactically exploit the government's measure --even though it may be impolitic in its view-- for the sole purpose of striking a quicker and greater blow at the governing

party. Not, for God's sake, that it must not express its opinions and opposition. Indeed, anything but that. However, criticism must be objective, sincere, responsible and calm. We would say even reserved because the creation of an atmosphere of panic would have dramatic consequences for the economy of the country.

And now we come to the most important point. We are perceiving, both in the government and governing party as well as in their printed expressions, clear trends in creating artificial diversions with the "out of nothing" invocation or description of possible foreign "threats" and intrigues, etc., as well as internal "plots" or political-constitutional crisis, etc. This is a classic and dear formula found in totalitarian or "popular" regimes when they confront internal difficulties and want to channel the attention and memory of the masses elsewhere or to attribute their failures to "scapegoats." Unfortunately, the "popular" party that governs us has practiced and is practicing this tactic. The most recent example is the "coincidence" of the announcement of the unpleasant economic measures with the decision for a mass repatriation of political refugees and the announcement about.... the opening of the "Cyprus dossier," etc. This is a continuation of the well-known and characteristic "popular" tactic for fooling the masses.....

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BENEFICIAL COMMERCIAL SHIPPING MEASURES

Athens I KATHIMERINI in Greek 13 Jan 83 p 1

/Excerpts/ After the justified "gestation" for many weeks, the final refinement of the package of merchant marine measures has now been completed. They provide for making Greek vessels more competitive and for confronting the present unemployment situation in a more decisive manner. As stated yesterday by the minister of merchant marine, the measures will be announced at 10 am today. As I KATHIMERINI had written in an exclusive article last month, the measures provide for two basic legislative adjustments.

First of all, the possibility is provided for the use of foreign sailors --as long as there are no unemployed Greeks-- who will be paid according to their country's wages. Secondly, the legislation of "paid rest" for sailors is introduced. Sailors will work for a certain number of months and then will remain ashore for the remaining months, paid from a special fund that will operate in NAT /Seamen's Retirement Fund/. In this way, the Ministry of Merchant Marine believes that a form of "recycling" will be developed in the merchant marine personnel force so that those sailors who are now unemployed will be able to be picked up.

Satisfaction

According to information of last night, both merchant marine circles (except for PEMEN/Panhellenic Union of Merchant Marine Engineers/ which is controlled by the KKE) and shipowners circles express satisfaction with the measures to be announced today by the government and which, as it appears, have become known to the interested parties.

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PRICE RISES SET IN ALL AREAS

Athens MESIMVRINI in Greek 5 Jan 83 p 1

Article by K. P. Pandzios

Excerpt Today Commerce Minister Moraitis will announce new fuel prices, effective tomorrow. In the meantime, the prices of the following items have already gone up:

Lamb, beef and frozen and fresh pork because of special import tax; food, beverages and entertainment in bars, clubs as well as in similar hotel places.

Also a price increase is expected shortly in electricity, telephone rates, urban transportation fares, stamps and water supply. More analytically:

a. New price increases will be announced today for liquid fuels as follows: 6 drachmas for super and regular gasoline; 3 drachmas per liter for petroleum and 2 drachmas per kilo for mazut. These new prices go into effect tomorrow.

b. The price of electric current will be increased by 25 percent. This will be the fifth increase in electric current since PASOK assumed power.

c. It is expected that the increase in public transportation fares will be about 70 percent.

d. The increase in telephone rates is expected to be around 40 percent.

e. Similarly, the increase in postage rates is expected to be around 40 percent and that of water supply around 20 percent.

On the other hand, the consumer tax (entertainment) was increased by the draft law introduced in the Chamber of Deputies from 10 to 15 percent and from 15 to 20 percent depending on the category classification of the various centers (first or second class).

The government officials are of the opinion that the next 3 months will determine the success of the government's economic policy and, by extension, they will be decisive in the government's further course.

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BRIEFS

COMMERCIAL FLEET NUMBERS DOWN--According to a Merchant Marine Ministry report yesterday, the Greek Merchant Marine fleet decreased by 334 ships having a capacity of 4 million tons. Specifically, at the end of last October--exactly 1 year after PASOK came to power--482 ships of 6.3 million tons dropped from the Greek registry while 148 ships of 2.2 million tons were added to it. The total fleet consisted of 3,586 ships representing 38.6 million tons compared to 3,920 ships of 42.7 million tons. On the other hand, the number of Greek ships with flags of convenience and crews insured by the Seamen's Retirement Fund was 429 representing 8 million tons. In the meantime, the number of idle ships anchored in Greece increased to 740 having a gross tonnage of 14.3 million tons. Of these, 725 were tankers of 7.3 million tons and 125 were freighters of 6.5 million tons in capacity. The unemployed seamen totaled 11,609 persons. Text Athens AKROPOLIS in Greek 6 Jan 83 p 27 7520

STATE ENTERPRISE RIFS--To increase productivity and minimize the production cost, the government is considering a reduction in force in state enterprises, according to reports. Such a step involves only personnel hired before the elections on the basis of "favoritism" rather than to fill vacant slots or operational needs. Specifically, reductions will be made in enterprises with excess personnel and in the public sector with criteria based on individual financial status. Already, the release of working people started 2 weeks ago on an employment seniority basis: 9 were released in the air force, 100 in PYR-KAL and 100 in Olympic Airlines. Also, the former chairman of the Greek Aircraft Industry EAV announced that its personnel will be reduced by about 30 percent. It is to be noted, however, that since last October when new hirings were forbidden EAV has hired at least 120 persons. Excerpt Athens I AVGI in Greek 6 Jan 83 p 17 7520

CSO: 3521/148

PREELECTION POLL RESULTS POINT TO KYPRIANOU VICTORY

Nicosia O FILELEVTHEROS in Greek 9, 10 Dec 82

9 Dec 82 pp 1, 47

Text According to a poll conducted by the Middle East Research Center KEMA under the direction of well-known economist Dr. Giorgos Vasileiou and published exclusively by O FILELEVTHEROS, present President Spyros Kyprianou will be elected in the first round will receive an absolute majority.

The poll was conducted during the period between 21 November and 12 December 1982 and represents the opinion of the electorate for that period. It does not mean, therefore, that its results will necessarily be the same as those of the presidential elections.

A total of 1,433 persons nationwide were asked to give their opinion and subsequently cast their ballots in special ballot boxes. Interviews were held in all cities, 15 semi-urban areas and 39 villages--all selected at random. The method used for the selection of those who were questioned and voted was that of the multi-phased random sampling which ensures a representative polling of all Greek Cypriots who have the right to vote in the next presidential elections. As a rule, all persons asked gave honest answers to the questions.

It is characteristic that in this poll 89 percent of those asked did respond to the question about their preference in the first round of the coming elections while in the previous KEMA poll in April 1981 on parliamentary elections--and that poll proved to be right--29 percent expressed no opinion. This great response of the public is partly because of the fact that the institution of KEMA polls has now become recognized and partly because of the fact that use was made of special ballots and special ballot boxes which ensure the absolute secrecy and anonymity of those polled.

In addition to the presidential elections, the survey covered other timely issues such as national and economic issues, the relations with Greece, the Cyprus Broadcasting Corporation, etc. Today we publish the results of the poll on the presidential elections.

The Percentages

The result of the poll is that in the next presidential contest between Kyprianou, Kliridis and Lyssaridis, Kyprianou will be elected in the first round. Specifically, he will receive 48 percent compared to 29 and 12 percent Kliridis and Lyssaridis will receive respectively. Of those asked, 11 percent offered no opinion. Their blank ballots may manifest one of the following four possibilities:

- a. They had not yet decided whom to support.
- b. They had decided but did not want to offer an opinion.
- c. They will cast a blank ballot, meaning that they have no preference for any of the candidates.
- d. They will abstain from voting.

The Kyprianou percentage estimated on the total valid votes cast--exactly as in the actual elections--is 54 percent which is sufficient for his election in the first round. This estimate is of course based on the premise that either the percentage of the blank ballots and of the abstentions will remain the same /during the elections/ or will be smaller and that those who will vote will be casting ballots in the same percentage ratio between the three candidates as the 89 percent who have already expressed an opinion.

Forecast for First Round Results

| | Based on the Total of Those Polled | Based on the Total of Valid Votes |
|------------|---------------------------------------|--------------------------------------|
| | % | % |
| Kyprianou | 48 | 54 |
| Kliridis | 29 | 33 |
| Lyssaridis | 12 | 14 |
| Blank | 11 | -- |
| Total | 100 | 100 |

Margin Error Possibility

In evaluating and interpreting the results of this poll one must have in mind that, just as in the case of all polls, there is always the possibility of a margin of error in the results being forecast. Specifically, in the case of Kyprianou such margin could be plus or minus 2.6 percent. Kyprianou, that is, could receive a minimum of 51.4 percent or a maximum of 56.6 percent. For the purpose of this poll, however, it is not the exact percentage he would have received were the elections held in December that is of importance, but the fact that the poll shows with certainty that he would be elected in the first round.

An analysis of the results by electoral district shows that Kyprianou has an absolute majority of the valid ballots in all districts except Nicosia. Limassol gives him the greatest percentage followed by Famagusta, Paphos and Larnaca where he is given about the same percentage.

Kliridis received the greatest percentage in Famagusta, followed by Larnaca, Nicosia and Limassol. In all districts except Paphos Kliridis received a greater percentage of ballots than Lyssaridis, the third candidate. In Paphos the Lyssaridis percentage is greater than that of Kliridis.

Forecast for Presidential Elections
Results by District
(Based on the Total of Those Asked)

| | Total % | Nicosia % | Limassol % | Larnaca % | Famagusta % | Paphos % |
|------------|------------|--------------|---------------|--------------|----------------|-------------|
| Kyprianou | 48 | 43 | 54 | 48 | 49 | 48 |
| Kliridis | 29 | 30 | 26 | 32 | 33 | 19 |
| Lyssaridis | 12 | 13 | 8 | 13 | 8 | 23 |
| Blank | 11 | 14 | 12 | 7 | 10 | 10 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

Note: The Kyrenia District 7 results are included in the total; they are not given separately since the sampling there was small and therefore the possibility for statistical error is great.

The percentage differences between the totals of those asked and the valid ballots are greater from district to district because of the fact that the percentage of the blank ballots differs considerably. It is smaller in the case of Larnaca--7.0 percent--and higher in Nicosia--14.0 percent. Kyprianou has thus received 49 percent in Nicosia and 61 percent--the greatest--in Limassol. Kliridis received 37 percent in Famagusta, 35 percent in Nicosia and only 21 percent in Paphos. Lyssaridis appeared strong in Paphos with 26 percent but weak in Limassol and Famagusta with 9 percent.

The authenticity of the poll's results is underscored by the nearly full similarity to the true results of the Famagusta by-election.

In evaluating the forecast on the results by district one should have in mind that since the sampling is much smaller than the total the percentage of the statistical error is greater.

(SEE TABLE NEXT PAGE)

Forecast for Presidential Elections
by District
(Based on the Total of Valid Ballots)

| | Total | Nicosia | Limassol | Larnaca | Famagusta | Paphos |
|------------|-------|---------|----------|---------|-----------|--------|
| | | % | % | % | % | % |
| Kyprianou | 54 | 49 | 61 | 52 | 54 | 53 |
| Kliridis | 33 | 35 | 30 | 34 | 37 | 21 |
| Lyssaridis | 13 | 16 | 9 | 14 | 9 | 26 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

10 Jan 83 pp 1, 127

We continue today the exclusive publication of the KEMA poll results on the presidential elections. We will give an analysis of the voters' attitude and behavior by age in the event a second round were necessary. The results of the poll show that in such an event, Kyprianou would again be elected with a percentage greater than in the first round. They show also that the followers of the Democratic Rally DISY-Kliridis' party are loyal to it and that the influence of the Lyssaridis party United Democratic Union of the Center EDEK is greater among the youth.

Analysis by Age

An analysis of the poll results by age is interesting since it shows significant differences in the political orientation of the various ages. Kyprianou led in all age groups and received the absolute majority of valid ballots except in one group: young voters under age 25. In this group Lyssaridis received the greatest percentage, 22 percent compared to the 9 percent he received among voters in the 45-64 age group. Kliridis' popularity is almost the same in each age group and represents one third of the voters in each case.

Forecast for Presidential Elections
by Age
(Based on the Total of Valid Ballots)

| | Total | 21-24 | 25-34 | 35-44 | 45-64 | 65 and Over |
|------------|-------|-------|-------|-------|-------|-------------|
| | % | % | % | % | % | % |
| Kyprianou | 54 | 49 | 53 | 52 | 60 | 52 |
| Kliridis | 33 | 29 | 32 | 36 | 31 | 32 |
| Lyssaridis | 13 | 22 | 15 | 12 | 9 | 16 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

The Second Round

The poll also covered the case of a second round of elections. Since it was impossible to know what the results of the first round would be when the poll questionnaire was prepared, those polled were asked also to indicate their choice in the event no one received an absolute majority in the first round. The poll covered both possible cases: a Kyprianou-Kliridis and a Kyprianou-Lyssaridis contest. The results show that Kyprianou would be elected in both cases with an increased second round percentage. This is due to the fact that neither the DISY voters nor those of EDEK are prepared in their totality to vote for a Kyprianou opponent in the second round. Thus, Kyprianou received 53 percent of the total or 63 percent of the valid ballots with Kliridis as his opponent and 51 percent of the total or 66 percent of the valid ballots with Lyssaridis as opponent.

Second Round Forecast for Presidential Elections

A. Between Kyprianou and Kliridis

| | Based on the Total of Persons Polled | Based on the Total of Valid Ballots |
|-------------|---|--|
| | % | % |
| Kyprianou | 53 | 63 |
| Kliridis | 31 | 37 |
| Blank votes | 16 | -- |
| Total | 100 | 100 |

B. Between Kyprianou and Lyssaridis

| | | |
|-------------|----|-----|
| Kyprianou | 51 | 66 |
| Lyssaridis | 26 | 34 |
| Blank Votes | 23 | -- |
| | | 100 |

Kyprianou-Kliridis

In a second round Kyprianou-Kliridis confrontation the poll shows that the two candidates maintain the loyalty of their voters. Kyprianou, however, received a much greater percentage of the Lyssaridis votes than Kliridis. Specifically, 47 percent of the Lyssaridis voters supported Kyprianou and only 15 percent voted for Kliridis. The remaining 38 percent represented blank ballots. In their overwhelming majority those who cast blank ballots in the first round persisted in their attitude. Only 5 percent voted for Kyprianou and 4 percent for Kliridis while 91 percent persisted in casting blank ballots.

Second Round
Shifting of Voters
to Kyprianou or Kliridis

From First Round

| Second Round | Lyssaridis % | Blank Ballots % |
|---------------|-----------------|--------------------|
| Kyprianou | 47 | 5 |
| Kliridis | 15 | 4 |
| Blank Ballots | 38 | 91 |
| Total | 100 | 100 |

Kyprianou-Lyssaridis

In a second round Kyprianou-Lyssaridis contest a greater number of Kliridis voters shifted to Lyssaridis than from Kliridis to Lyssaridis. It is evident that those who supported Kliridis are firmly opposed to Kyprianou. Only 15 percent appeared willing to vote for Kyprianou compared to 45 percent who voted for Lyssaridis and to 40 percent who did not vote for either and cast blank ballots. The attitude of those who cast blank ballots in the first round remained substantially the same as in the Kyprianou-Kliridis contest. Kyprianou received exactly the same percentage and Lyssaridis 3 percent while 92 percent chose to cast blank ballots.

Second Round
Shifting of Voters
to Kyprianou or Lyssaridis

From First Round

| Second Round | Kliridis % | Blank Ballots % |
|---------------|---------------|--------------------|
| Kyprianou | 15 | 5 |
| Lyssaridis | 45 | 3 |
| Blank Ballots | 40 | 92 |
| Total | 100 | 100 |

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CSO: 3521/155

APPEAL TO UN RESOLUTIONS ON ALTERING THE POPULATION COMPOSITION

Nicosia O FILELEVTHEROS in Greek 19 Dec 82 p 3

Text7 Here is another danger that is now becoming too evident: the change in the population percentages.

The Turkish newspaper GUNAYDIN is telling us that the Turkish-Cypriots who 7 years ago numbered 100,000 now number 150,000. The rate of increase exceeds even that of China before the birth control measures.

The effort to alter the population ratios in Cyprus by the chauvinist leaders of the Turkish-Cypriot community is nothing new. Those who can remember this is not a new effort at all. Even during the British administration of Cyprus we could hear the voices of the Turkish-Cypriot chauvinists that the number of Turkish-Cypriots was not the one given by the census--which was conducted with the participation of Turkish civil servants--but very different. And they were calculating and estimating the large number of Turks who were allegedly forced to flee Cyprus and should be considered Cypriots with all the rights of a Cypriot citizen.

Of course, a few years ago the Turks had no possibility of inflating their population as easily as they can now. Now that the occupied territory has become "free Kerkyra /Corfu7" for every Turks, they are telling us that their population has increased by 50,000 in 7 years!

A reply to these arguments, as presented by the chauvinist Turks, a well-grounded reply must be given by our expert journalists, because we estimate that it is impossible for a population of 100,000 to grow in 7 years to 150,000.

The Turks must be counting those whom they brought in from the depths of Anatolia, even though some of them did not establish roots and went back. But it is clear that no reasonable person can accept as a natural development the population increase claimed by GUNAYDIN. This is clearly an illegal action, an arbitrary action that must be denounced internationally. An international denunciation is entirely proper because the UN resolutions on Cyprus are precise on the demographic composition of the Cypriot population. These resolutions state clearly that any action to alter the composition of the Cypriot population must be avoided. Turkey--which is responsible for the situation described by GUNAYDIN--deliberately violates in a planned and cold-blooded manner the specific provisions of the UN resolutions.

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POLITICAL

CYPRUS

Athens-Nicosia Differences Alleged on Cyprus Issue

Nicosia I SIMERINI in Greek 25 Dec 82 p 1

Text There are basic differences between the governments of Greece and Cyprus with regard to the handling of the national issue of Cyprus. Moreover, these differences cannot be settled prior to the 13 February presidential election in Cyprus.

The above statements were made by reliable persons close to Greek Premier Andreas Papandreou when asked to comment about a recent statement by Cyprus Foreign Minister Rolandis that "after the election in Cyprus when there will be a new government with a 5-year mandate, the governments of Greece and Cyprus will have to see how they can work to achieve the desired result on the Cyprus issue."

The same Greek officials categorically denied a recent report published in a West German newspaper that presumably these differences have emerged lately "because the Greek government wants to handle the Cypriot problem in the framework of Greece's foreign policy, that is, in the context of NATO and the EEC."

The National Interest the Only Guide

The same officials argued that the Greek government handles the Cypriot problem as the most important national issue in the framework of its foreign policy which is guided by the legitimate interests of Hellenism. The Cypriot government, they added, never expressed disagreement or reservations on the correctness of this policy.

The existence of differences between Athens and Nicosia on the handling of the Cypriot issue was reaffirmed to I SIMERINI by a reliable government source in Nicosia. This source emphasized the need for new talks between Greece and Cyprus after the presidential election. In these new talks, the source added, there must be put on the table all the aspects of the Cypriot problem and its future handling especially in view of the new appeal to the United Nations in March.

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DANGER OF TURKISH CYPRIOTS TURKIFICATION POINTED OUT

Nicosia I SIMERINI in Greek 25 Dec 82 p 3

Article by Al. Kontsandinidis: "A Visit on the Other Side of the Hill"⁷

Text⁷ At the invitation of a Turkish-Cypriot colleague, the other evening I visited the Turkish sector of Nicosia after a long interval. I went through the two roadblocks located on the two sides of the "no man's land" at the Lidra Palace Hotel⁷. Just the process of going from one side to the other gives a clear and harsh picture of the divided Cyprus. To pass from one side to the other one needs a permit from the authorities of the Cypriot Republic after first filling out the necessary form, and he must also secure the permit of the Turkish-Cypriot "administration." At the Lidra Palace, the old traditional hotel of Nicosia, which since 1974 has housed the UN headquarters, you first go through the checkpoint of the Greek-Cypriot police which checks the papers⁷. Approximately 300 meters further, the guards at the checkpoint of the Turkish-Cypriot police carry out similar checks.

Every time I visit the Turkish side I find that the gap between the two sides and the two communities is getting increasingly wider. Talking to Turkish-Cypriot colleagues it was not difficult to see how different are the problems they are concerned about. They, too, agree that as time goes by the gap is widening and the two communities are drifting further apart.

However, the most disturbing finding is that as time passes the Turkish-Cypriot community tends to be totally absorbed by Turkey on which it depends economically. Economic dependence leads to cultural dependence. And this process will continue as long as the Cypriot problem remains unsolved and this process is continued. Almost 90 percent, if not more, of the Turkish-Cypriot students studying abroad go to universities in Turkey primarily for financial reasons. But all these will come back and in a few years almost the entire Turkish-Cypriot intelligentsia will be made up of graduates of Turkish universities.

Commercial air flights between Turkey and the "federated state" are available daily. Passenger ship schedules are not regular and will become daily in the summer. Several thousands of tourists from Turkey every year visit the "federated state." Turkish-Cypriot television broadcasts two hours of local programs and then joins the Turkish television. In 1983 the Turkish-Cypriots will probably have two channels, one purely Turkish-Cypriot and one to relay TV programs from Turkey.

In a way the economic "embargo" which we have imposed on the Turkish-Cypriots, as they claim, works in the direction of this assimilation and increased dependence on Turkey. The isolated Turkish-Cypriot community has no alternative but to rely completely on Turkey.

In my opinion this is for Cyprus the most dangerous development. If this process is not halted, whether the Turkish-Cypriots wish it or not, the Turkish-Cypriot community will be totally absorbed by Turkey in a few more 5-year periods. We should not forget that this process has been underway for almost 20 years, since 1963 when the two communities were clearly separated into two hostile and feuding camps.

Therefore, if there is not some settlement of the Cypriot problem in the next 5-year--or at least 10-year period--some arrangement to reverse the process, the case is lost. Probably there will no longer be a Turkish-Cypriot community but only Turks in the northern part of Cyprus.

"The truth is that we feel more like Turks than Cypriots," said one of the Turkish-Cypriot colleagues, "while you feel more like Cypriots than Greeks." I don't know how accurate this--in my opinion too absolute--claim is. But there is no doubt that this tendency is evident on the other side. The Turkish-Cypriots will feel more and more like Turks rather than Cypriots as time goes on...til the moment when they probably cease altogether to be Cypriots. By then it will be too late.

How can we put an end to this course? How can we hold back this process? How can we prevent the full assimilation of the Turkish-Cypriot community by Turkey?

I am not going to give a prescription here. But if we agree that something must be done by us in this direction, if we believe indeed that the two communities can exist together on this island, in spite of their differences, hatred and opposing orientations that divide them in search of some Cypriot utopia, then we must at long last begin to think seriously and revise many of our view and ideas...

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CSO: 3521/141

IMPROVEMENT OF PCF PROPAGANDA IN INDUSTRY EXAMINED

Paris CAHIERS DU COMMUNISME in French Dec 82 pp 48-53

[Article by Marc Zamichiei, member of the PCF Central Committee and secretary of the Propaganda Section of the PCF Central Committee]

[Text] The attention and resources devoted by the employers to their company publications have undoubtedly not always been adequately assessed. But is it possible today to imagine the workers, especially those in the big firms, without their Communist newspaper? The political harm done by the absence of a newspaper must decide the answer to that question.

My remarks will begin with an established fact: the effectiveness of the PCF's propaganda is multiplied when it is carried on in the firms. It is there that the Communists are best able to inform the workers, explain what is being proposed, and communicate with them in a manner that is simple, direct, and alive.

It is in the firms that the Communists can now contact the most workers and do so in the quickest way when necessary, considering the other changes that have occurred in the way people live. It is there that their policy can be expressed most concretely and that their ideas can live in immediate contact with the problems and struggles of the workers, find their support in facts known to all and situations being experienced by all, and thus become easily understandable. It is there that the Communists can best know and take into account the state of mind among those to whom they address themselves and thus vary their intervention to suit circumstances.

It is above all in the firms that the closest ties can be developed between propaganda and action, that the Communists can erase the doubts and lack of understanding that hamper intervention and the workers' struggles and enrich, in return, their explanation of the common experience.

In the firms, propaganda constitutes the chief means of action for the PCF's organizations. But do those organizations always take the necessary time for reflection--do they search out the means for developing propaganda which is truly adapted to the new realities in the firms and which fully measures the scope and intensity of the political and ideological struggle now taking place

there? The changes that have occurred in this respect make me think that there needs to be a real turning point in propaganda.

New Realities

First of all, the firms are no longer what they were. In the space of one generation, they have experienced--and are continuing to experience--far-reaching changes that were given prominence by Georges Marchais at the 24th congress and recalled by Jean-Claude Gayssot during the Central Committee's most recent session, which was devoted to the PCF's activity in the firms.* It is not enough to take a general look at those changes: one must be aware of them in detail and grasp their development in each firm. A stiff requirement? Certainly. But the credibility and effectiveness of Communist intervention depend on it.

To what working class--to which categories of workers, men, women, and young people--are we addressing ourselves? What are the effects on mentalities and behavior of the technological advances and modifications occurring in the organization of work and in the way in which the workers live? What new problems are presenting themselves and what new aspirations are being born?

The terrain is certainly more complex. But it can be more fruitful for Communist propaganda if the latter is nourished on those realities--if it succeeds for good in going beyond schematics and generalities.

In the second place, the conditions of the political and ideological struggle in the firms have also changed profoundly. Confronted with the crisis of their production system and threatened by the challenge to their powers and privileges, the big employers have thrown themselves into a vast counteroffensive--notably since the big jolt of 1968--to reduce the influence of the revolutionary trend. Let us not deny it: by perfecting their political organization to a remarkable degree, the big employers have scored points, very especially in the big firms.

The big employers have perfected new means of integrating workers. They are doing their best to use management to channel demands and trying to short-circuit the union organizations. They have individualized personnel management systems and diverted permanent training from its mission to a large extent by making it a formidable ideological tool to serve them. They have formed their own means of propaganda and, in particular, established a real network of company newspapers whose importance, in my opinion, is seriously underestimated by the Communist organizations.

Massive and Diversified Employers' Press

The company press run by the employers is both massive and diversified. In 1975, there were already about 1,000 publications with a monthly circulation in the neighborhood of 5 million--chiefly in the firms with over 1,000 wage earners. In 1977, the Union of Company Newspapers and Journalists of France included 600 firms, 700 newspapers, and 1,000 information and communication professionals.

* See L'HUMANITE, 10 November 1982.

The content of that press, which has grown even more since then, centers on two main areas: economic news about the life of the company, the operation of the firm, technological innovations, product marketing, and the organization of work on the one hand, and, on the other, social news about working conditions, safety, vocational training, the activities of the enterprise committee, promotions, and personal distinctions. In general, such publications also include a sizable magazine section with articles on sports, tourism, culture, games, and services (classified ads, for example). Another feature of those publications is that they mention a lot of names and print a great many pictures of workers who are singled out for special mention.

On the formal level, the professional quality is in most cases undeniable. As a headline in the September issue of ENTREPRISES, the official organ of the CNPF [National Council of French Employers], put it (four pages were devoted to the topic): "Company Press: Amateurs Need not Apply." And the author of that article explained the meaning of communication very well by stating that the essential thing is to "know how to present things in the right way" and that "the problem is a problem of packaging: a problem much more of appearance than of content"!

Actually, the company press, which takes care not to seem committed politically (and succeeds), effectively exudes the employers' ideology. And it is proven that the company press is read attentively by the workers.

Sizing up the Ideological Struggle

Other political forces have also been active in the firms, their ambition being to challenge our influence. The RPR, for example, whose intention is to ensure the presence of the barefaced Right, recently abandoned the acronym AOP in favor of "RPR Company Section." On the Left, I will mention only that the Socialist Party, which was organized in only 13 firms in 1971, was present in 1,100 firms in 1980 and has now announced that it has over 1,700 groups and sections in the firms.

On the union level, the CGT bases its intervention on class positions, whereas the other organizations most often engage in propaganda that navigates between declared opposition to government policy and "leftist" management of the crisis.

These few remarks, which are intended to throw a little light on a multifaceted picture--it is not our purpose here to inventory all the channels of ideological struggle in the firms or to analyze its content--lead me to emphasize the need to pay the closest attention to the various ideas that spring up, circulate, and grow within the firms and to their impact on the workers.

It also cannot be forgotten that when the wage earner arrives at his job, he already carries in his head a mass of news and commentary spread by television, radio, and his regional newspaper--media which in most cases ignore or combat revolutionary ideas.

Ignorance concerning what is being said and done by the various forces confronting each other inside or outside the firms--indeed, the refusal to even consider

such matters--always has consequences sooner or later as far as the organization and influence of the revolutionary trend are concerned.

First Advantage: PCF Strategy

Considering the sizable resources brought into play by the employers, the very intense competition from other forces, and the still notorious absence of real pluralism in information, should not the Communists give their activity an entirely different dimension?

With their strategy, which is deeply rooted in reality, the Communists possess an exceptional advantage. Provided that it puts that strategy boldly into practice, uses with discernment the potential available to it, and adopts the means required, there are no limits to the development of PCF activity in the firms. The PCF can afford to have big ambitions.

While the workers still do not have a clear understanding of the prospects opened up by our strategy and policy, capital has understood them perfectly. Capital fears the simultaneously realistic and revolutionary approach adopted by the Communists, their determination to undertake immediately and in all areas the construction of a socialism of democracy and self-management, and their ambition to intervene in the sphere of company management itself and to transform the firm itself.

If pushed, the capitalists could adjust to a situation in which their most resolute opponents--regardless of how bitter the class combat might be--did nothing more than oppose them and make demands on the one hand and, on the other, propose a program which, while certainly one of transformation, would simply postpone the solution of the problems and leave it basically up to the state. On the other hand, those capitalists clearly cannot accept the idea that their opponents, having engaged in lucid criticism concerning their own delay in becoming aware of the nature of the historic task incumbent on them today, should challenge capitalist orientations and choices and call on the workers to become involved in what concerns them--that is, not only their jobs, wages, working conditions, and rights, but also the complete management of the firms.

Gattaz can be heard saying that wage earners must not concern themselves with financial problems and management: "That is not their field"!

And we see the economic weeklies leaping to the parapet, becoming interested in the Communist Party's strategy so as to combat it more effectively, and opposing the new management criteria being proposed by the Communists to make the firms fully useful and effective in the interest of the workers and the nation.

That concern on the part of capital is easy to understand! With their action aimed at economic revival, social progress, and workers' rights, the Communists have launched a movement making it possible to tilt the scales further in the direction of change, obtain results beginning now--thanks to worker initiative--that will promote the reconquest of the domestic market, and revive an essential debate on the crisis and the means of resolving it.

Naturally, nothing is easy: the Communist approach is new, the crisis is deep, ideas of resignation are present, the habit of delegating power is strong, and the class struggle is being exacerbated. The task is on the same scale as the stakes: it is enormous.

But there are many signs attesting that realities can change and that people's awareness can progress. Being on the offensive matters! The better the Communists explain in their propaganda the meaning of their commitment to the government in the elected assemblies and in the nation, the more their conduct in the firms will become an example and the greater the possibilities for solving the problems and increasing the PCF's influence will appear.

The Communists--Communist men and women and their organization in the company cells--are the inestimable wealth of the PCF. They are its main force for propaganda: what they say, write, and do constitutes the daily image that they present of the Communist Party to their comrades and colleagues in the factory, on the worksite, and in the office.

Whether the revolutionary trend gets through to the workers or not depends on the Communists and the company cells. It is not enough for Communist ideas to be correct. It is also necessary that the workers listen to what the Communists say, read what they write, and understand what they explain.

Newspapers in the Firms: an Indispensable Means

The prime question for the PCF in the firms has to do simultaneously with the growth of its cells, the dissemination of its press, and the creation of propaganda that is offensive and directed at the working class.

Its propaganda must be simple, warm, direct, well reasoned, and serious. Its propaganda must be based on a greater ability to listen and must answer the real questions asked by the workers, informing them so as to promote debate. Its propaganda must permit joint action.

In order to advance, the Communists must naturally develop their means of rapid and selective intervention: they must comment on or create an event, giving evidence of a good propaganda reflex. They must also be able to make judicious use of the main publications: L'OPINION DES COMMUNISTES, FEMMES AUJOURD'HUI DEMAIN, AVANCEES, IMMIGRES, and LE LIEN ANTILLAIS.

Above all, the Communists must apply themselves in particular to the establishment of regular newspapers, which are a decisive tool for the existence and life of the party--for ensuring its permanent presence and its recognition within the firm, in combination, of course, with dissemination of the Communist press, particularly L'HUMANITE and L'HUMANITE DIMANCHE.

But the irreplaceable role of a newspaper at the company level must above all be perceived in terms of the party's current strategy and of the capacity for initiative that it demands from Communists: a good newspaper forces the latter to assimilate their party's policy and to express it--to participate specifically in the debate of ideas and to work up proposals that might make it possible to solve the problems of the workers and the firms.

Hundreds of Newspapers Needed

A real effort was made as far back as 1979 and in preparation for the presidential election to establish new printed newspapers in the big firms where the Communist Party was organized. That experience has not been entirely consolidated.

Today, along with other mimeographed publications, the PCF publishes a printed newspaper in one-third of the firms with over 1,000 wage earners where it is organized. Several of those newspapers are comparable to what is published by the employers. Their content and form are of very high quality, and their appearance always constitutes an event in the firm. But there are too few of them. In keeping with the ambition already expressed, a considerable effort needs to be made to establish printed newspapers in every private or nationalized firm and every public institution where there is a sizable concentration of wage earners and where the Communists are present.

The vigor of the class confrontation, the expansion of the nationalized sector, and the new responsibilities of the Communists, particularly in certain sectors of economic and social life, reinforce the need not only to establish hundreds of new printed newspapers that will be published on a regular basis but also to improve their content and their layout.

It is true that those newspapers are only--and can only be--the work of "amateurs," and no model can be provided. But in no case can the form be regarded as secondary to content. The Communists should therefore not hesitate to use the services of reporters and graphic artists who will help them create a formula. All the skills available--and they are numerous within the party itself--should be inventoried, and those possessing them should be asked to write, compose headlines, draw, take photographs, and do layout work. The basic techniques should be mastered, and advantage should be taken of the help available from L'HUMANITE, ECONOMIE ET POLITIQUE, and LA VIE DU PARTI. Willingness and imagination will do the rest.

A Matter for Every Communist and Every Cell

The newspaper must be the business of all of the PCF's organizations and all Communists in the firm. It is advisable to work it out in such a way that it does not replace the life and propaganda of the cells when there are several cells in the firm in question. This is possible only when the process starts with the rank and file. A newspaper published from the top by one or two Communists or from outside the firm is not likely to last. Moreover, its content under such conditions is most often not well adapted.

The newspaper must, therefore, be taken in hand by all the firm's cells, and every Communist must become a correspondent.

In this connection, it is encouraging to know that in a certain big automaking firm in the Paris region, immigrant workers have been brought into the work of publishing the newspaper even though they can neither read nor write French. Their remarks and way of talking have been faithfully transcribed in French, however, and have enriched the content of that newspaper.

More generally, a newspaper has a lot to gain by allowing the workers, Communist or not, to speak and emerge from anonymity both in pictures and in text. In newspapers published by the employers, workers are shown and mentioned by name and their role is emphasized, but it is only in a Communist newspaper that they can really live. What an advantage!

A newspaper put together in that way--as a bearer of the life and struggles of the workers and the policy of the PCF and discussing all of the firm's problems--cannot fail to stimulate debate and action and nourish the necessary intervention by each cell.

The leaders of party organizations at all levels have a responsibility to give prominence to the importance of printed newspapers in the firms and to assign priority to directing propaganda activity in that direction.

The results depend on the existence of specific working plans, an effort to train party cadres to assume that responsibility on the spot--and this means primarily the section secretaries responsible for propaganda activity--and the utilization of the necessary means on all levels: human, material, and financial.

Above all, it is a question of instilling confidence in the Communists, helping them in specific ways to put out their newspaper, and correctly sizing up the opportunities. In this area, too, it is best to leave well enough alone.

This does not mean that the Communists must not be ambitious concerning the quality of their newspaper, but it is an ambition that they must nurture themselves.

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MILITARY

GREECE

BRIEFS

NEW AIRPORT ISSUE UNDECIDED--As a result of yesterday's published report about "the abandonment of the Spatai project," a reliable source in the Communications Ministry said that no decision whatever has been taken by the government on whether or not to continue the construction of the new Spatai airport. The same source added that there has been no decision to extend the airport at Ellinikon and that the delay in the earth works at the new airport is for reasons of austerity and not "the project's abandonment." Text Athens I VRADYNI in Greek 5 Jan 83 p 37 7520

CSO: 3521/144

END